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GAIN Report #IV1014

Cote d'Ivoire

Coffee

Semi-Annual

2001

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Report Highlights:

Post has revised downwards its forecast for 2001/2002 coffee crop due to poor farm maintenance, expected improper harvesting and unevenly distributed rainfall.

Marketing of the 2001/2002 crop is expected to start in early January but marketing situation is expected to remain morose as world market price remain depressed.

Exports fell in 2000/2001 due to the depressed world market price and demand.

The Inter-African Coffee Organization (IACO) held its annual meeting in Abidjan on November 13, 2001 to look at possible solutions to the depressed world market price of coffee.

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Executive Summary

Post has reduced the 2001/2002 green coffee production estimates due to poor farm maintenance efforts resulting from unattractive farm prices, improper harvesting and insufficient rains in certain producing areas. Ivorian coffee plantations are quite old and the trees require high maintenance to stay productive. Farmers are expected to be less thorough in their harvesting because low farm price will discourage them from having adequate labor. The 2001/2002 production is expected to fall, despite good rains in some regions, the vigor of young trees entering production and the fact the current crop falls at the higher side of the alternate coffee production cycle.

Field visits indicate that crop harvest has started and some cherries could be seen drying along the roadside. However, many farms visited remain unharvested and most are overrun with weeds. Though cocoa harvesting and marketing at this time normally take precedence over coffee because of its perishability, farmers interviewed have also raised the difficulties in obtaining farm laborers. Low farm gate prices of coffee have caused farm laborers to refuse work in coffee farms, preferring instead to work in cocoa and /or food crop farms. Most farm laborers work under share cropping contracts, where they earn a proportion of the proceeds, usually a third, from the sale of the crop. Farmers are generally disillusioned with coffee, but their situation is mitigated somewhat as most of them are also cocoa producers.

Marketing is expected to start in early January 2002. However, the marketing situation will continue to be morose as world market prices remain depressed. In addition, farmers will try to sell coffee beans withheld from the market over the past two seasons, which may further depress the farm gate price. The overall quality of coffee will suffer due to reduced effort in cherry processing and the expected release on the market of these withheld beans. In 2000/2001, the farm gate price of green coffee averaged between 250 and 280 F CFA/kg. In some cases, prices fell as low as 200 F CFA/kg. The quality worsened as farmers were reluctant to incur further expenses to improve on quality. The market narrowed as few middlemen and cooperatives dealt in coffee because of the low market margins.

Exports fell in 2000/2001 due to the depressed world market price and demand. Exports for the first 9 months of 2001 were 3,117,000 bags compared to 5,053,000 bags for the same period of 2000.

Post has revised downwards its estimate of the 2000/2001 ending stocks to reflect newly available official export statistics. Stocks took account of beans held on farm.

The set up of the new marketing system for coffee and cocoa (IV1013) is completed with the establishment of the FRC (the Regulating and Controlling Fund) and the government decree setting up the export rights (a ceiling of product purchases by exporting firms). The FRC is the financial and risk management arm of the BCC. The export right is meant to prevent major

exporters from dominating the market. However, the new market system will not affect coffee marketing in the 2001/2002 marketing season.

The Inter-African Coffee Organization (IACO) held its annual meeting in Abidjan on November 13, 2001 to look at possible solutions to the depressed world market price of coffee. They intend to promote consumption of coffee in producer countries; explore new marketing areas in the emerging Asian countries and to place emphasis on more value added products.

Exchange Rate: U.S. \$1 = 745 F CFA on November 14, 2001.

PSD Table						
Country	Cote d'Ivoire					
Commodity	Coffee, Green				(1000 HA)(MILLION TREES)(1000 60 KG BAGS)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Area Planted	1480	1480	1490	1485	1492	1486
Area Harvested	1285	1285	1296	1296	1298	1298
Bearing Trees	1613	1613	1626	1626	1630	1630
Non-Bearing Trees	245	245	243	237	243	235
TOTAL Tree Population	1858	1858	1869	1863	1873	1865
Beginning Stocks	1504	1504	1347	1347	2195	1562
Arabica Production	0	0	0	0	0	0
Robusta Production	5700	5700	4333	4333	4700	4166
Other Production	0	0	0	0	0	0
TOTAL Production	5700	5700	4333	4333	4700	4166
Bean Imports	0	0	0	0	0	0
Roast & Ground Imports	0	0	0	0	0	0
Soluble Imports	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	7204	7204	5680	5680	6895	5728
Bean Exports	5354	5354	3000	3672	3500	3500
Roast & Ground Exports	3	3	3	2	3	3
Soluble Exports	440	440	420	382	450	450
TOTAL Exports	5797	5797	3423	4056	3953	3953
Rst,Ground Dom. Consum	29	29	30	30	31	31
Soluble Dom. Consum.	31	31	32	32	33	33
TOTAL Dom. Consumption	60	60	62	62	64	64
Ending Stocks	1347	1347	2195	1562	2878	1711
TOTAL DISTRIBUTION	7204	7204	5680	5680	6895	5728

Export Trade Matrix			
Country	Cote d'Ivoire		
Commodity	Coffee, Green		
Time period	Jan-Dec	Units:	60kg bags
Exports for:	1999		2000
U.S.	23917	U.S.	225583
Others		Others	
France	773567	France	1902317
Belgium	140267	Belgium	958300
Italy	231450	Italy	659217
Poland	203883	Poland	280016
Algeria	175817	Algeria	607117
Spain	97467	Spain	354867
Israel	32233	Germany	16933
Morocco	54983	Morocco	95867
Portugal	69000	Portugal	91150
		U.K.	85800
Total for Others	1778667		5051584
Others not Listed	156116		431566
Grand Total	1958700		5708733